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**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD**

Financial Statements, Study and  
Evaluation of Internal Controls and Compliance

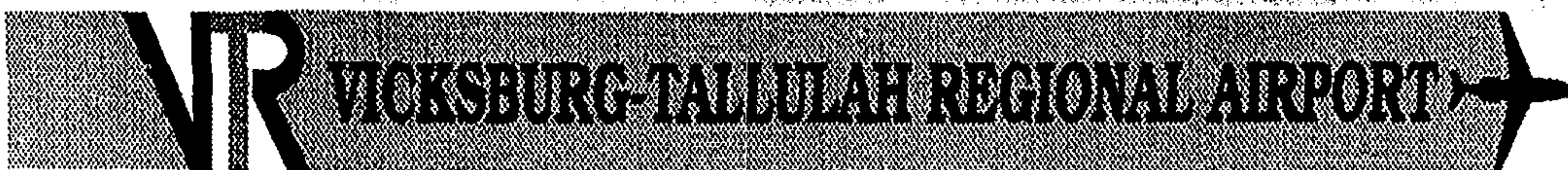
For the Year Ended  
December 31, 2001

With

Independent Auditor's Reports

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-17-02



Vicksburg, Warren County, Mississippi \* Tallulah, Madison Parish, Louisiana \*  
175 VTR Airport Road, Tallulah, LA 71282  
Phone: (318) 574-5841 or (877) 720-5260  
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**GENERAL PURPOSE FINANCIAL STATEMENTS**

Office of Legislative Auditor  
Attention: Ms. JoAnne Sanders, CPA  
1600 North Third Street  
Baton Rouge, Louisiana 70804

Dear Ms. Sanders:

In accordance with Louisiana Revised Statute 24:514, enclosed are the general purpose financial statements for the Vicksburg-Tallulah District Airport Board of and for the year ended December 31, 2001. The report includes all funds under the control and authority of the Vicksburg-Tallulah District Airport Board. The accompanying financial statements have been prepared in accordance with auditing standards generally accepted in the United States of America.

Sincerely,

A handwritten signature in cursive script, reading 'Carole Regan', is written below the word 'Sincerely,'.

Chairman

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
FINANCIAL STATEMENTS, STUDY  
AND EVALUATION OF INTERNAL CONTROLS AND COMPLIANCE  
FOR THE YEAR ENDED DECEMBER 31, 2001

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## I. FINANCIAL STATEMENTS

DAVID Q. RICHARDSON

CERTIFIED PUBLIC ACCOUNTANT

POST OFFICE BOX 891

TALLULAH, LA 71284

(318) 574-0514

INDEPENDENT AUDITOR'S REPORT  
ON FINANCIAL STATEMENTS

Board of Directors  
Vicksburg-Tallulah District Airport Board  
Mound, Louisiana

I have audited the accompanying general purpose financial statements of Vicksburg-Tallulah District Airport Board (a quasi governmental entity) as of and for the year ended December 31, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of Vicksburg-Tallulah District Airport Board's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I have conducted my audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Vicksburg-Tallulah District Airport Board, as of December 31, 2001, and the result of its operations and the cash flows of its proprietary fund types for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 17, 2002, on my consideration of the Board's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Tallulah, Louisiana  
June 17, 2002

  
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VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 2001

ASSETS

	<u>Governmental</u> <u>Fund Types</u>		<u>Proprietary</u> <u>Fund Type</u>	<u>Account</u> <u>Group</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u>	<u>Capital</u> <u>Projects</u>	<u>Enterprise</u>	<u>General</u> <u>Fixed</u> <u>Assets</u>	
CASH	\$ 83,823	\$ -	\$ -	\$ -	\$ 83,823
ACCOUNTS RECEIVABLE	-	-	1,404	-	1,404
PREPAID EXPENSES	4,570	-	-	-	4,570
INVENTORY	-	-	29,133	-	29,133
DUE FROM OTHER FUNDS	-	32,934	6,114	-	39,048
PROPERTY AND PLANT:					
Land	-	-	-	364,958	364,958
Airport Facilities	-	-	160,549	4,335,074	4,495,623
Airport Equipment	-	-	190,650	343,752	534,402
Terminal Building	-	-	-	238,670	238,670
Fuel Truck	-	-	115,450	-	115,450
Office Furniture, equipment and vehicles	-	-	-	19,567	19,567
Accumulated depreciation	<u>-</u>	<u>-</u>	<u>( 148,077)</u>	<u>-</u>	<u>( 148,077)</u>
 TOTAL ASSETS	 <u>\$ 88,393</u>	 <u>\$ 32,934</u>	 <u>\$ 355,223</u>	 <u>\$ 5,302,021</u>	 <u>\$ 5,778,571</u>

See accompanying notes to financial statements.



## LIABILITIES, EQUITY, AND OTHER CREDITS

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Account Group</u>	<u>Totals</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 20,911	\$ -	\$ -	\$ -	\$ 20,911
Payroll Tax payable	2,057	-	-	-	2,057
Deferred Revenue	-	-	1,375	-	1,375
Due to other funds	<u>39,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,048</u>
Total liabilities	<u>\$ 62,016</u>	<u>\$ -</u>	<u>\$ 1,375</u>	<u>\$ -</u>	<u>\$ 63,391</u>
<b>COMMITMENTS AND CONTINGENCY</b>					
	-	-	-	-	-
<b>EQUITY AND OTHER CREDITS:</b>					
Contributed capital	-	-	95,000	-	95,000
Investment in general fixed assets	-	-	-	5,302,021	5,302,021
Fund balances- undesignated	26,377	32,934	-	-	59,311
Retained earnings	<u>-</u>	<u>-</u>	<u>258,848</u>	<u>-</u>	<u>258,848</u>
Total equity and other credits	<u>\$ 26,377</u>	<u>\$ 32,934</u>	<u>\$ 353,848</u>	<u>\$ 5,302,021</u>	<u>\$ 5,715,180</u>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<u><u>\$ 88,393</u></u>	<u><u>\$ 32,934</u></u>	<u><u>\$ 355,223</u></u>	<u><u>\$ 5,302,021</u></u>	<u><u>\$ 5,778,571</u></u>

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES-ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 2001

	Governmental Fund Types		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	<u>Only</u>
REVENUES:			
Intergovernmental	\$ 85,320	\$ -	\$ 85,320
Interest and other	<u>6,875</u>	-	<u>6,875</u>
Total revenues	<u>92,195</u>	<u>-</u>	<u>92,195</u>
EXPENDITURES:			
Current:			
General government	<u>125,463</u>	<u>-</u>	<u>125,463</u>
Total expenditures	<u>125,463</u>	<u>-</u>	<u>125,463</u>
DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	( 33,268)	-	( 33,268)
OTHER FINANCING SOURCES:			
Transfers in	<u>53,337</u>	<u>-</u>	<u>53,337</u>
Total other financing sources	<u>53,337</u>	<u>-</u>	<u>53,337</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	20,069	-	20,069
FUND BALANCES, beginning of year	<u>6,308</u>	<u>-</u>	<u>6,308</u>
FUND BALANCES, end of year	<u>\$ 26,377</u>	<u>\$ -</u>	<u>\$ 26,377</u>

See accompanying notes to financial statements.



VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY-PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31,2001

	<u>Enterprise</u>
OPERATING REVENUES:	
Fuel sales	\$ 150,467
Hangar and property leases	58,466
Miscellaneous	3,144
Finance charges	<u>146</u>
Total operating revenues	<u>212,223</u>
OPERATING EXPENSES:	
Fuel purchases and expenses	79,313
Repairs and maintenance	6,361
Payroll	48,373
Depreciation	29,105
Utilities	2,833
Miscellaneous	1,306
Insurance	4,291
Office	5,341
Credit card processing fees	4,285
Mileage and fuel	1,258
Travel and training	1,134
Dues and subscriptions	85
Required security quarters	<u>1,800</u>
Total operating expenses	<u>\$ 185,485</u>
INCOME FROM OPERATIONS	26,738
NONOPERATING REVENUES (EXPENSES):	
Transfers out	( <u>53,337</u> )
NET LOSS	( 26,599 )
FUND EQUITY, beginning of year	<u>380,447</u>
FUND EQUITY, end of year	<u>\$ 353,848</u>

See accompanying notes to financial statements.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
STATEMENT OF CASH FLOWS-PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from operations	\$ 26,738
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	29,105
(Increase) decrease in:	
Accounts receivable	6,951
Inventory	19
Increase (decrease) in:	
Deferred revenue	( <u>2,243</u> )
 Net cash provided by operating activities	 <u>60,570</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Transfer to General Fund	( 53,337 )
Principal payments on installment purchase payable	( <u>7,233</u> )
 Net cash used in capital and related financing activities	 ( <u>60,570</u> )
 Net increase in cash	 -
CASH, at beginning of year	<u>-</u>
CASH, at end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Airport Board was created in an effort between Mississippi and Louisiana, comprised of the City of Vicksburg, Mississippi, The City of Tallulah, Louisiana, Madison Parish, Louisiana Police Jury and The Warren County, Mississippi Board of Supervisors. The Airport Board is responsible for construction and management of the Vicksburg-Tallulah Airport. The airport is considered a quasi-public entity because a majority of the governing body is appointed by or authorized to be appointed by a government or individual governmental officials as part of his official duties. Members of the Board are appointed by the respective City, Parish, or County. Each area is designated a specific number of members to appoint. Presently there are five Board members. Intergovernmental revenues and participating revenues are provided by these four entities or the State of Louisiana on behalf of the two Louisiana members. The airport is located in Mound, Louisiana.

The Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB issued a revised codification of governmental accounting and financial reporting standards. The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government. As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Airport Board has elected not to apply its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinion, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

The entities above created a regional airport authority pursuant to the regulations of Mississippi and Louisiana and acting by and through the Louisiana Department of Transportation and Development, Office of Aviation and Public Transportation.

Basis of Presentation

The accompanying financial statements of the Tallulah-Vicksburg District Airport Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental Accounting and financial reporting principles.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
NOTES TO FINANCIAL STATEMENTS-CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Fund Accounting

The accounts of the Vicksburg-Tallulah District Airport Board are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures as appropriate.

Revenues are accounted for in these operating funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources. The funds presented in the accompanying general purpose financial statements are described as follows:

Governmental Funds

**General Fund**-The General Fund is the general operating fund of the Vicksburg-Tallulah District Airport Board. It is used to account for all financial resources, except those required to be accounted for in another fund.

**Capital Project Funds**-Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by other funds.

Proprietary Fund Types

**Enterprise Fund**-The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis to be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes. Revenues generally are from fuel sales, property leases and hanger rental. Customers are pilots, individuals and corporations that utilize airport facilities.



VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
NOTES TO FINANCIAL STATEMENTS-CONTINUED  
FOR THE YEAR ENDED DECEMBER 31,2001

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

***Enterprise Fund - Continued***-Fixed assets used in the proprietary fund operations are included on the balance sheet, net of accumulated depreciation. Depreciation is charged as an expense against operations. Depreciation is computed using straight line method over the estimated useful lives. The airport facilities and equipment are depreciated over twenty years and ten years, respectively.

Deferred revenues consist primarily of prepaid rent. Deferred revenues also arise when resources are received by the Board before it has legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Board has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

General Fixed Assets

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost. No depreciation is recorded on general fixed assets.

Basis of Accounting

Basis of accounting refers to the point in time where revenues and expenditures are recognized and reported in the financial statements and is determined by the fund type in which the grant, entitlement or shared revenue transaction are recorded. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are maintained on the modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures:

***Revenues***-Revenues consist of reimbursement of eligible airport construction cost from the U.S. Department of Transportation and Development, Federal Aviation Administration. The Federal Aviation Administration (FAA) pays ninety percent of eligible cost, the remaining ten percent and all other reimbursement is derived from participating entities sharing one quarter each, unless agreed to otherwise. Grant funds from the Federal Aviation Administration are recorded when the Vicksburg-Tallulah District Airport Board has incurred the qualifying expenditure and all other grant requirements have been met.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
NOTES TO FINANCIAL STATEMENTS-CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

*Revenues-continued*-Participation and intergovernmental revenues are recorded when the related expenditure is incurred.

Interest revenues are recorded as received.

*Expenditures* - Expenditures are recorded when the related fund liability is incurred.

*Other Financing Sources (Uses)* - Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

All proprietary funds are accounted for on a flow of economic resource measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components, as applicable. All proprietary fund types are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recorded at the time liabilities are incurred. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet and are not eliminated.

Inventory

Inventory is valued at the lower of cost or market using the first-in, first-out method.

Contributed Capital

Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.



VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
NOTES TO FINANCIAL STATEMENTS-CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Total Column on Combined Statements-Overview

The total column on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE B. CONTINGENCY

The Airport Authority receives Federal and State monies for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in request for reimbursement by the grantor agency for expenditures disallowed under the terms and conditions of the appropriate agency. Management believes that expenditures disallowed would be insignificant, if any at all.

NOTE C. CASH

Cash includes amounts in interest bearing demand deposits. Under state law, the Board may deposit funds in demand deposits, interest bearing deposits, money market accounts, or time deposits with state banks organized under the laws of a state of the United States.

As of December 31, 2001 the book balance of the Board's deposit was \$83,823 and the bank balance was \$85,699. Of the bank balance, all was covered by federal depository insurance.

NOTE D. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

Enterprise:	
Trade	<u>\$1,404</u>
Total	<u>\$1,404</u>

All amounts are considered collectible by the Board.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
NOTE TO FINANCIAL STATEMENTS-CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE E. COMMITMENTS

On September 12, 1995, the Board entered into an agreement with a fuel vendor for the purchase of all AV gas and jet fuel. The agreement is for a period of twenty-four months with a five year renewal option. The purchase price is revalued weekly using a stated indicator. The contract expired in September 1997, and was renewed in March 1998.

NOTE F. CHANGES IN GENERAL FIXED ASSETS

The details of general fixed assets are as follows:

	January 1, <u>2001</u>	Transfers/ <u>Additions</u>	Transfers/ <u>Retirements</u>	December 31, <u>2001</u>
Land	\$ 364,958	\$ -	\$ -	\$ 364,958
Airport Facilities	4,335,074	-	-	4,335,074
Airport Equipment	343,752	-	-	343,752
Terminal building	238,670	-	-	238,670
Office furniture, equipment and vehicles	<u>19,567</u>	<u>-</u>	<u>-</u>	<u>19,567</u>
Total	<u>\$5,302,021</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,302,021</u>

NOTE G. SEGMENT INFORMATION

Beginning in 1995, the airport maintains one enterprise fund which is intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended December 31, 2001 is presented below. Segment information not listed can be obtained from the financial statements.

Net working capital	<u>\$ 29,162</u>
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NOTE H. PERSONNEL COSTS

Included in general government current expenditures is \$ 48,373 and included in the enterprise fund is \$48,373 for the year ended December 31, 2001, which represents salaries and fringe benefits.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
NOTES TO FINANCIAL STATEMENTS-CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE I. COMPENSATION PAID BOARD MEMBERS

Members of the Airport Board receive no compensation.

NOTE J. HANGER AND PROPERTY LEASES

The airport leases hangars and property. The property leases are for a period of twenty years, whereas hangar leases generally are for annual periods and can be canceled with a 30 day notice. Annual rental to be collected on property leases for each of the next five years is \$31,310. The hangars have a cost of \$160,549 with related accumulated depreciation of \$45,199 at December 31, 2001. The property leased is a portion of the total Airport land.

NOTE K. RISK MANAGEMENT

The airport is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; error and omissions; and natural disasters for which the airport carries commercial insurance.

## II. STUDY AND EVALUATION OF INTERNAL CONTROLS AND COMPLIANCE

**DAVID Q. RICHARDSON**

CERTIFIED PUBLIC ACCOUNTANT

POST OFFICE BOX 891

TALLULAH, LA 71284

(318) 574-0514

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Vicksburg-Tallulah District Airport Board  
Mound, Louisiana

I have audited the general purpose financial statements of the Vicksburg-Tallulah District Airport Board as of and for the year ended December 31, 2001, and have issued my report thereon dated June 17, 2002. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance whether Vicksburg-Tallulah District Airport Board's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing my audit, I considered Vicksburg-Tallulah District Airport Board's internal control over financial reporting in order to determine my auditing procedure for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Board of Directors  
Vicksburg-Tallulah District Airport Board

Page Two

No management letter was issued.

There are no prior year comments to be addressed and therefore an accompanying schedule of prior year findings is not included.

This report is intended solely for the information of the Board, management, Federal Aviation Administration and applicable State Auditors and is not intended to be and should not be used by anyone other than the specified parties.

Tallulah, Louisiana  
June 17, 2002

A handwritten signature in cursive script, appearing to read "David R. Rouse".